UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY WASHINGTON, D.C.

Order 96-1-15 Served 1/25/96

Issued by the Department of Transportation on the 18th day of January, 1996

Agreement Among Member Carriers of the

International Air Transport Association * Docket OST-95-874 concerning Passenger Agency matters * R-1 through R-5

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ORDER

The International Air Transport Association (IATA) has filed an agreement with the Department for approval and exemption from antitrust laws under sections 41309 and 41308 of Title 49 of the United States Code. The agreement was adopted at the 18th Passenger Agency Conference held in Miami on November 7-9, 1995 for expedited effectiveness on January 1 or April 1, 1996. 1/2 The individual resolutions are listed in the attached appendix.

The agreement is comprised of resolutions governing passenger agency matters and deals with relationships between IATA member carriers and travel agents outside of the United States. Most of these proposals involve non-substantive changes, essentially of a technical, clarifying or administrative nature, to existing approved resolutions governing various regional sales agency programs and bank settlement plans (BSPs).

In addition, the agreement establishes new procedures governing use of electronic ticketing in IATA's Passenger Agency Programs. Under these, electronic tickets must carry a form code; be assigned a unique range of serial numbers; be subject to BSP reporting and remittance procedures; bear an issuance date; and generate a receipt for the passenger (R-2). Finally, the agreement adopts new procedures under which Passenger Agency Administators may allocate seven-digit designators to unaccredited sales locations which generate significant volumes of reservations and sales. The new resolution makes its clear that this action does not confer any entitlements, approval or claims of accreditation to the location concerned (R-4).

49 U.S.C. 41309 directs us to approve any agreement or modification of an agreement if we do not find it adverse to the

^{1/} IATA memorandum PAC/Reso/389.

public interest or in violation of this part. We find that the agreement in Docket OST-95-874 is not adverse to the public interest, in violation of this part, or likely to lessen

competition substantially and that, therefore, it should be approved.

Furthermore, we conclude that the approved resolutions should be granted immunity from the operation of the antitrust laws to the extent necessary to permit their implementation. In general, they amend existing provisions already approved and immunized by the Department. Where new provisions are created, they perform administrative and facilitatory functions similar to other resolutions that have been approved and immunized. As a result, none raises immunity issues not previously considered, and the conferral of immunity upon them is consistent with our policy of conferring immunity on amendments coextensively with the underlying agreements.

Pursuant to the authority duly assigned under the Department's Regulations 14 CFR 385.13:

We do not find that Resolutions R-1 through R-5 of the agreement in Docket OST-95-874, as set forth in the attached appendix, are adverse to the public interest, in violation of 49 U.S.C. 41309, or likely to lessen competition substantially.

ACCORDINGLY,

- 1. We approve R-1 through R-5 of the agreement in Docket OST-95-874, as listed in the attached appendix, under 49 U.S.C. 41309; and
- 2. To the extent that R-1 through R-5 of the agreement in Docket OST-95-874 are approved, we exempt any person affected by this order from the operation of the antitrust laws as provided in 49 U.S.C. 41308.

Persons entitled to petition the Department for review of this order, under 14 CFR 385.50, may file such petitions within ten days after the date of service of this order.

This order shall be effective and become the action of the Department upon expiration of the above period, unless within such period, a petition for review is filed or the Assistant Secretary for Aviation and International Affairs gives notice that he will review this order on his own motion.

Paul L. Gretch Director, Office of International Aviation

(SEAL)

Appendix
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Docket	IATA Resolution	Title of IATA	Expiry
OST-95-874	Designation Numbe	r Resolution Affected	d Date
R-1	PAC1(27)800t (Belgium, Lux- embourg & Netherlands only)	Ticket Delivery Office Location (Amending)	Indefinite
R-2	PAC1(27)800z (Except USA) PAC2(27)800z PAC3(27)800z	Electronic Ticketing (New)	Indefinite
R-3	PAC3(27)810	Passenger Sales Agency Rules-Orient Countries (Amending)	Indefinite
R-4	PAC1(27)826 (Except USA) PAC2(27)826 PAC3(27)826	Indentification of Airlines' Points of Sales (New)	Indefinite
R-5	PAC1(27)850d (Except USA) PAC2(27)850d PAC3(27)850d	Internal Audit Program for Billing and Settle- ment Plans (Amending)	Indefinite